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Letting some of the light shine

Anonymous

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After December 31, 1921, the law does not recognize the personal service corporation.

The provision requiring information as to the holding of tax exempt bonds is omitted.

Mandatory Rules, Effective January 1, 1922

ON January 1, 1922, certain rules and regulations prescribed by the Railway Accounting Officers' Association, which heretofore have been recommendatory, become mandatory, in so far as carriers who are members of the Association are concerned.

As practically all carriers, by rail as well as by water, are members of the Association, beginning January 1, 1922, members of the staff assigned to railroad engagements should familiarize themselves with the mandatory rules, as prescribed by the Association, contained in the Railway Accounting Officers' Association Synopsis of 1921.

The accounts of carriers are governed by classifications prescribed by the Interstate Commerce Commission and must be so kept. The text of each account in these classifications has a short description showing what should be included therein for the guidance of accounting officers and their clerks; however, the Interstate Commerce Commission does not prescribe the methods which carriers shall use to compile the information required by the classifications.

In 1888, the Association of American

Railway Accounting Officers was formed, one object of which was to establish uniform methods of accounting between carriers. In 1917, the name was changed to the Railway Accounting Officers' Association. The Association, through its executive, fiscal and general accounts, standing freight, passenger disbursements, car accounts, statistics committees, prescribed recommendatory rules and regulations, including forms, to insure uniform accounting among carriers. Being merely recommendatory, these regulations were not uniformly adopted by all carriers, especially as to settlements for balances due among carriers for interline settlements and the forms used therefor. In consequence, some roads insisted in settling by voucher, others by draft, and more or less confusion existed. The forms used in settlements, especially for interline freight accounting, have not been uniform as to size, which has made binding and filing difficult.

To insure uniformity, all carriers who are members of the Association, will on January 1, 1922, conform to the mandatory rules and regulations prescribed by the Association.

Letting Some of the Light Shine

THE past few weeks have been unusual ones with regard to invitations which have come to us to address meetings of various kinds.

Mr. J. M. Smith of the Buffalo office read a paper before the Buffalo Real Estate Board at the Hotel Iroquois, Buffalo, N. Y., Tuesday, November 29, on "Changes Embodied in the Revenue Act of 1921."

Mr. Bell read a paper before a regional

meeting of the American Institute of Accountants at Pittsburgh, Saturday, December 3. The subject of Mr. Bell's paper was "Audit Reports."

Mr. Gause presented a paper before the Connecticut Valley Division of the Cost Association of the Paper Industry at Holyoke, Mass., Monday, December 12, on "Importance of Power Costs in Paper Mill Accounting."

Mr. Wildman gave a talk before the general council of The National Information Bureau, Inc., at the Waldorf-Astoria in New York, on Saturday, December 10, entitled "Sensible Accounting for Social Agencies."

Mr. Wildman also met a group of Philadelphia bankers at the Union League Club in Philadelphia, on Tuesday, December 13, and discussed with them from the accountant's viewpoint a paper read by Mr. Freas B. Snyder, research director, Robert

Morris Associates, before the New England Regional Meeting, American Institute of Accountants, at Providence, R. I., June 28, 1921, on "The Accountant's Ultimate Consumer." Mr. Snyder takes the position that the banker is the accountant's ultimate consumer in certain types of engagement and that consequently the accountant's efforts should be directed toward the preparation of financial statements which will meet the views and answer the purposes of the bankers.

He Who Runs

THERE are few who dispute the fact of mental telepathy. Proofs are abundant that two persons whose mental apparatus is properly attuned may transmit thought from one to the other. There are no definite rules governing the process. It cannot be accomplished voluntarily. But that it takes place many persons may be found who will so testify.

Mental telepathy might be used to good advantage, if it could be controlled, in establishing the connection between the work of two sets of men, one following the other, on the repetition of an engagement for the same client. How gratifying it would be if an accountant upon taking up the audit of a certain client might communicate with his predecessor and receive by means of a mental connection all the details gleaned from the latter's contact with the engagement.

Under such an arrangement there would be no occasion for the client to make a request that the same accountant be assigned to the engagement—which clients frequently do for various reasons but the outstanding of which is the fact that one who is familiar with the details takes less time for the work on a repeat engagement and asks fewer questions. All such angles would under a perfect system of mental telepathy be rounded off, and there would

remain practically only the one of personal preference.

Much of the difficulty which thought transmission would remove might be overcome in the meantime if more attention were to be given to making notations in working papers. Too much is left to be taken for granted. Too much is left to the imagination and some good accountants are so built that they have no imagination. On the other hand, so much time is sometimes given to the preparation of working papers that even accountants with the most vivid imagination cannot conceive of any possible use for certain of the papers which result therefrom.

Less pencil pushing and filling up of reams of paper with useless and time-consuming figures, with more short, snappy memoranda would be more to the point. The working paper which causes the reader to waste fifteen minutes wondering what it means, why it was made, and whether or not it is necessary in the present instance, is cumulative in its wastefulness. It wastes the time not only of the accountant who prepared it but of those who later come in contact with it.

The copying of sheets containing the details of inventories is wasteful. Much more would be accomplished, and the process would be much more efficient, if,